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SERVICE DATE - OCTOBER 17, 2001

SURFACE TRANSPORTATION BOARD

DECISION

STB Docket No. MC-F 20984

STAGECOACH HOLDINGS PLC AND COACH USA, INC., ET AL.—CONTROL—  
ST. LOUIS EXECUTIVE COACH, INC.

AGENCY: Surface Transportation Board

ACTION: Notice Tentatively Approving Finance Transaction.

SUMMARY: Stagecoach Group PLC (Stagecoach) and its subsidiary, Coach USA, Inc. (Coach), noncarriers, and various subsidiaries of each (collectively, applicants), filed an application under 49 U.S.C. 14303 to acquire control of St. Louis Executive Coach, Inc. (St. Louis Executive), a motor passenger carrier based in St. Louis, MO. Persons wishing to oppose this application must follow the rules under 49 CFR part 1182.5 and 1182.8. The Board has tentatively approved the transaction, and, if no opposing comments are timely filed, this notice will be the final Board action.

DATES: Comments must be filed by November 30, 2001. Applicants may file a reply by December 17, 2001. If no comments are filed by November 30, 2001, this notice is effective on that date.

ADDRESSES: Send an original and 10 copies of any comments referring to STB Docket No. MC-F-20984 to: (1) Surface Transportation Board, Office of the Secretary, Case Control Unit, 1925 K Street, NW, Washington, DC 20423-0001. In addition, send one copy of any comments to applicants' representative: Betty Jo Christian, Steptoe & Johnson LLP, 1330 Connecticut Avenue, N.W., Washington, D.C. 20036-1795.

FOR FURTHER INFORMATION CONTACT: Joseph H. Dettmar (202) 565-1600 [TDD for hearing impaired: 1-800-877-8339.]

SUPPLEMENTARY INFORMATION: Stagecoach is a public limited corporation organized under the laws of Scotland.<sup>1</sup> With operations in several countries, Stagecoach is one of the world's largest providers of passenger transportation services. It had total revenues of \$2.7

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<sup>1</sup> Stagecoach was formerly known as Stagecoach Holdings PLC. It recently changed its name to Stagecoach Group PLC.

billion for the fiscal year ending April 30, 2001. Coach is a Delaware corporation that currently controls over 90 motor passenger carriers.

Stagecoach and its subsidiaries currently control Coach,<sup>2</sup> its noncarrier regional management subsidiaries, and the motor passenger carriers jointly controlled by Coach and the management subsidiaries.<sup>3</sup> In previous Board decisions, Coach management subsidiaries, including co-applicant Coach USA North Central, Inc., have obtained authority to control motor passenger carriers jointly with Coach.<sup>4</sup>

Applicants state that Coach formed St. Louis Executive as a Missouri corporation in August 2001.<sup>5</sup> Before St. Louis Executive obtained operating authority, Coach placed the stock of that entity into an independent voting trust.<sup>6</sup> The control transaction that is the subject of this application will not involve any transfer of the federal operating authority held by St. Louis Executive. St. Louis Executive would also be jointly controlled by Coach USA North Central, Inc, a management company wholly owned by Coach.

Applicants have submitted information, as required by 49 CFR 1182.2(a)(7), to demonstrate that the proposed acquisition of control is consistent with the public interest. Applicants state that the proposed acquisition of control will not reduce competitive options, adversely impact fixed charges, or adversely impact the interests of the employees of St. Louis Executive. They assert that granting the application will allow St. Louis Executive to take advantage of economies of scale and substantial benefits offered by applicants, including interest

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<sup>2</sup> Stagecoach controls Coach through various subsidiaries, namely, SCUSI Limited (formerly known as SUS 1 Limited); SCOTO Limited (formerly known as SUS 2 Limited); Stagecoach General Partnership and SCH US Holdings Corp.

<sup>3</sup> See Stagecoach Holdings PLC—Control—Coach USA, Inc., et al., STB Docket No. MC-F-20948 (STB served July 22, 1999).

<sup>4</sup> See Coach USA, Inc. and Coach USA North Central, Inc.—Control—Nine Motor Carriers of Passengers, STB Docket No. MC-F-20931, et al. (STB served July 14, 1999).

<sup>5</sup> St. Louis Executive recently obtained federally issued operating authority from the Federal Motor Carrier Safety Administration in Docket No. MC-414193, authorizing it to provide charter and special services between points in the United States. St. Louis Executive will initially operate approximately 6 buses and minivans and employ approximately 10 drivers. It intends to initiate carrier operations soon and to date has no revenues. St. Louis Executive will provide charter and tour services in the St. Louis area and between that area and points in nearby states.

<sup>6</sup> Applicants submitted a copy of the voting trust agreement with their application.

cost savings and reduced operating costs. In addition, applicants have submitted all of the other statements and certifications required by 49 CFR 1182.2. Additional information, including a copy of the application, may be obtained from the applicants' representative.

Under 49 U.S.C. 14303(b), we must approve and authorize a transaction we find consistent with the public interest, taking into consideration at least: (1) the effect of the transaction on the adequacy of transportation to the public; (2) the total fixed charges that result; and (3) the interest of affected carrier employees.

On the basis of the application, we find that the proposed acquisition of control is consistent with the public interest and should be authorized. If any opposing comments are timely filed, this finding will be deemed vacated and, unless a final decision can be made on the record as developed, a procedural schedule will be adopted to reconsider the application. See 49CFR 1182.6(c). If no opposing comments are filed by the expiration of the comment period, this decision will take effect automatically and will be the final Board action.

Board decisions and notices are available on our website at "WWW.STB.DOT.GOV."

The decision will not significantly affect either the quality of the human environment or the conservation of energy resources.

It is ordered:

1. The proposed acquisition of control is approved and authorized, subject to the filing of opposing comments.

2. If timely opposing comments are filed, the findings made in this decision will be deemed as having been vacated.

3. This decision will be effective on November 30, 2001, unless timely opposing comments are filed.

4 A copy of this notice will be served on: (1) the U.S. Department of Transportation, Federal Motor Carrier Safety Administration, 400 7th Street, SW, Room 8214, Washington, DC

20590; (2) the U.S. Department of Justice, Antitrust Division, 10th Street & Pennsylvania Avenue, NW, Washington, DC 20530; and (3) the U.S. Department of Transportation, Office of the General Counsel, 400 7th Street, SW, Washington, DC 20590.

Decided: October 10, 2001.

By the Board, Chairman Morgan, Vice Chairman Clyburn, and Commissioner Burkes.

Vernon A. Williams  
Secretary